

## Message Text

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ACTION EA-09

INFO OCT-01 EUR-12 NEA-10 ISO-00 CU-02 SNM-02 EB-07 COME-00

FEAE-00 SCCT-01 CIAE-00 DODE-00 PM-04 H-02 INR-07

L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06

AID-05 OMB-01 TRSE-00 /096 W  
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FM AMEMBASSY RANGOON

TO SECSTATE WASHDC 2098

INFO CINCPAC

AMCONSUL HONG KONG

AMEMBASSY KUALA LUMPUR

AMCONSUL MANDALAY

AMEMBASSY BANGKOK

DEA BANGKOK

AMCONSUL CHIANG MAI

AMEMBASSY KATHMANDU

AMEMBASSY NEW DELHI

AMEMBASSY OTTAWA

USLO PEKING

AMEMBASSY VIENTIANE

C O N F I D E N T I A L SECTION 1 OF 2 RANGOON 2757

E.O. 11652: GDS

TAGS: PINS, PINT, PFOR, SNAR, BM

SUBJ: JOINT WEEKA #31, AUGUST 3-10

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1. BCP-ORIENTED CLANDESTINE GROUP ARRESTED (CONF)  
THE PRESS GAVE PROMINENT COVERAGE TO THE ARREST OF 47 MEMBERS OF "A CLANDESTINE GROUP OF CPB LINEAGE." THE GROUP WAS SAID TO HAVE PUBLISHED ANTI-GOVERNMENT PAMPHLETS, "CARRIED OUT SECRET ORGANIZATIONAL WORK IN RANGOON AND IN THE TOWNSHIPS," AND HELPED ORGANIZE THE MARCH 23, 1976, UNIVERSITY DISTURBANCES "JUST AS THE RIGHTIST ORGANIZATIONS HAD DONE," THE LEADERS OF THE GROUP INCLUDED FORMER COCOS ISLAND POLITICAL PRISONERS AND PEOPLE WHO HAD TAKEN PART IN THE U THANT DISTURBANCES.

A "RINGLEADER" OF THE GROUP WHO ESCAPED, ACCORDING TO THE PRESS ACCOUNT, WAS KYAW ZAW OO, THE SON OF EX-BRIGADIER KYAW ZAW (A LONG-RETIRED, FORMERLY POPULAR ARMY OFFICER WITH LEFTIST LEANINGS AND SOME BCP FAMILY CONNECTIONS, BUT WHO IS NOT, AS FAR AS WE KNOW, A BCP SUPPORTER). KYAW ZAW AND TWO OF HIS OTHER ADULT CHILDREN WERE REPORTED IN A COMPANION STORY TO HAVE DISAPPEARED ALONG WITH KYAW ZAW OO; AND THE NATIONAL INTELLIGENCE BUREAU REQUESTED PUBLIC ASSISTANCE IN FINDING THEM.

COMMENT: THIS SEEMS TO BE RELATED TO A GUB CRACKDOWN ON ALL OPPOSITION ELEMENTS IN THE WAKE OF THE ABORTED COUP ATTEMPT. WE WILL PROVIDE FURTHER ANALYSIS OF THE GUB'S CONTINUING OVER-REACTION TO THE PLOT IN A SEPARATE MESSAGE.

2. GRENADE INCIDENTS MULTIPLY (CONF)  
THERE HAVE BEEN THREE PUBLICLY-REPORTED GRENADE INCIDENTS IN RANGOON DURING THE PAST WEEK, AND AS MANY AS THREE OTHERS WHICH HAVE NOT BEEN COVERED IN THE PRESS.

THE MOST DAMAGING ATTACK WAS AT THE CENTRAL RAILWAY STATION -- IT RESULTED IN FOUR PEOPLE KILLED AND 67 WOUNDED. OTHER CONFIRMED INCIDENTS WERE AT A POLICE STATION (2 INJURED) AND IN FRONT OF A MOVIE  
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THEATER (ONE KILLED, SEVEN INJURED). UNCONFIRMED INCIDENTS TOOK PLACE AT A POLICE MOTOR VEHICLE DEPOT, NEAR THE UNIVERSITY AND AT A HOSPITAL.

NO ARRESTS HAVE BEEN REPORTED IN CONNECTION WITH ANY OF THESE INCIDENTS, BUT THE AUTHORITIES HAVE NOTICEABLY INCREASED SECURITY MEASURES THROUGHOUT RANGOON.

COMMENT: THIS IS THE LARGEST NUMBER OF GRENADE INCIDENTS DURING A SINGLE WEEK IN RECENT MEMORY. BECAUSE OF THEIR PAST SPONSORSHIP OF SIMILAR ATTACKS, THE PPP EXILES/INSURGENTS ARE PROBABLY RESPONSIBLE; BUT WE CANNOT RULE OUT THE POSSIBILITY THAT SOME OTHER GROUP MIGHT BE INVOLVED.

3. DELEGATIONS AND VISITS: LAOS, PRC, DPRK (UNCL)  
LAOTIAN FOREIGN MINISTER PHOUNE SIPRASEUTH STOPPED AT THE RANGOON AIRPORT FOR AN HOUR AND A HALF AUGUST 8 EN ROUTE TO COLOMBO FOR THE NAM. HE WAS MET BY TRADE MINISTER AND ACTING FOREIGN MINISTER U HLA AYE. WE HAVE NO INDICATION THAT ANYTHING OF IMPORTANCE WAS DISCUSSED.

A CULTURAL DELEGATION HEADED BY THE GUB ARCHAEOLOGY DEPARTMENT DIRECTOR-GENERAL RETURNED FROM A TWO-WEEK VISIT TO CHINA; AND A HEALTH DELEGATION HEADED BY THE DEPUTY MINISTER FOR HEALTH LEFT FOR A MONTH'S VISIT TO STUDY HEALTH ACTIVITIES, INCLUDING INDIGENOUS MEDICINE, IN THE PRC

AN AGRICULTURAL DELEGATION HEADED BY THE DEPUTY MINISTER FOR AGRICULTURE AND FORESTS RETURNED FROM A TWO-WEEK VISIT TO NORTH KOREA TO "STUDY AGRICULTURAL WORK AND EXCHANGE EXPERIENCES."

4. NEW CANADIAN AMBASSADOR (CONF)  
CANADIAN AMBASSADOR WILLIAM EDWARD BAUER, RESIDENT IN BANGKOK, PRESENTED HIS CREDENTIALS TO PRESIDENT NE WIN AUGUST 9.

COMMENT: AMBASSADOR BAUER TOLD US THAT NE WIN WAS WELL  
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BRIEFED FOR THE MEETING AND APPEARED FIT AND UNPRE-  
OCCUPIED.

ACCORDING TO MANFRED VON NOSITZ, THE CANADIAN DCM WHO ACCOMPANIED BAUER ON HIS VISIT, THE CANADIAN FOREIGN AID AGENCY HAS SELECTED BURMA AS A TOP PRIORITY COUNTRY FOR ASSISTANCE, PRIMARILY ON THE GROUNDS THAT BURMA IS ONE OF THE WORLD'S POOREST COUNTRIES IN PER CAPITA INCOME. HE SAID ABOUT \$14 MILLION WORTH OF AID IS EARMARKED FOR BURMA DURING THE CURRENT AND FOLLOWING FISCAL YEARS, AND SOME 15-20 CANADIAN EXPERTS WILL BE COMING TO BURMA IN CONNECTION WITH THE PROGRAM (WHICH INCLUDES A SOFT LOAN FOR PURCHASE OF FIVE TWIN OTTER AIRCRAFT, A GIFT OF LOGGING EQUIPMENT AND AN ASSOCIATED REPAIR FACILITY, AND SOME OTHER FORESTRY-RELATED PROJECTS).

VON NOSTITZ ADMITTED TO SOME DOUBT, WHICH HE SAID WAS SHARED BY BAUER AND REINFORCED BY THEIR VISIT HERE, ABOUT THE APPROPRIATENESS AND UTILITY OF CONCENTRATING AID ON BURMA. WE SHARED WITH BAUER AND VON NOSTITZ OUR GENERALLY NEGATIVE VIEWS ABOUT BURMA'S ABILITY EFFECTIVELY TO UTILIZE AID UNDER THE CURRENT MISMANAGED SYSTEM.

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----- 069725

R 100952Z AUG 76

FM AMEMBASSY RANGOON

TO SECSTATE WASHDC 2099

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AMCONSUL HONG KONG

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5. NARCOTICS: SEIZURES AND ARRESTS (UNCL)

TWO SIGNIFICANT SEIZURES WERE MADE IN TAUNGGYI IN THE PAST TWO WEEKS -- AN OFFSHOOT OF AN EXTENSIVE CRACKDOWN ON TRAFFICKERS IN THAT AREA. APPROXIMATELY 30 KILOGRAMS OF OPIUM SOLUTION AND RAW OPIUM WERE SEIZED IN TWO SEPARATE ACTIONS. THE ESTIMATED LOCAL VALUE WAS PLACED

AT K. 137,000 OR ABOUT \$6,850 AT THE BLACK MARKET EXCHANGE RATE. TWO TRAFFICKERS WERE ARRESTED.

6. NARCOTICS: POLICE TRAINING (UNCL)

THE SECOND IN A SERIES OF INTENSIVE ANTI-NARCOTICS TRAINING COURSES FOR POLICE OFFICERS BEGAN THIS WEEK. THE  
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COURSE, CONDUCTED BY POLICE OFFICIALS TRAINED BY THE UN AT GENEVA, TOUCHES ON SEVERAL ASPECTS OF ANTI-NARCOTICS WORK, INCLUDING ARREST PROCEDURES, NARCOTICS IDENTIFICATION, SYMPTOMS OF DRUG ADDICTION AND LECTURES ON TREATMENT AND REHABILITATION. IT EXTENDS FOR THREE WEEKS. THIRTY-EIGHT OFFICER FROM THROUGHOUT BURMA ARE PARTICIPATING.

7. OIL DEVELOPMENT: ESSO WELL FINDS NO OIL (LOU)

ESSO HAS PLUGGED AND ABANDONED ITS WELL IN BLOCK M-11, HAVING REACHED A TOTAL DEPTH OF 7,584 FEET. NOTHING OF SIGNIFICANCE WAS DISCOVERED IN THE WELL, AND ALTHOUGH THERE WAS AT ONE POINT A MINOR METHANE GAS SHOW, IT ORIGINATED FROM HIGH PRESSURE SHALE. AS THERE WAS NO GAS RESERVOIR, THE SHOW WAS INSIGNIFICANT. ESSO WILL SHORTLY BEGIN WORK ON ANOTHER WELL IN BLOCK M-10. NO OTHERS COMPANIES ARE CURRENTLY DRILLING.

8. REVENUE COLLECTIONS BELOW TARGET (UNCL)

ACCORDING TO A LOCAL PRESS REPORT, GUB REVENUE COLLECTIONS FOR THE FIRST QUARTER OF THE PRESENT BURMESE FISCAL YEAR (APRIL-JUNE) ARE K380 MILLION BELOW TARGET. THE TOTAL ESTIMATED REVENUE TO BE COLLECTED OVER THAT PERIOD WAS K500 MILLION, BUT ACTUAL COLLECTIONS REACHED ONLY K120 MILLION.

COMMENT: OBVIOUSLY THE NEW REVENUE MEASURES ENACTED THIS YEAR ARE NOT PROVING AS EFFECTIVE AS THE GUB HAD EXPECTED. THIS DOES NOT AUGUR WELL FOR ANY REDUCTION IN THE ESTIMATED BUDGET DEFICIT.  
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## Message Attributes

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